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SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510-4503

October 7, 1994

'DEC - 7 1994

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

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Reed E. Hundt Commissioner Federal Communications Commission 1919 M Street, N.W. Suite 814 Washington, D.C. 20554

Dear Chairman r ndt:

Enclosed is a letter that I received from a constituent concerned with the Federal Communications Commission's interpretation of section 19 of the Cable Television Consumer Protection and Competition Act of 1992.

Digital One Television is concerned that by allowing exclusive agreements in the direct broadcast satellite (DBS) market, the intent of the 1992 act to allow fair access to all television programming has been violated. As you may know, with Vermont being a rural state the ability to receive television programming through the DBS market is important to insuring Vermonters access to television programs.

I appreciate your attention to this matter.

Jame: Μ.

rely

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PLEASE REPLY TO:

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The Honorable Reed Hundt Chairman Federal Communications Commission 1919 M Street, NW, Room 814 Washington, DC 20554

RE: Cable Competition Report CS Docket No. 94-48

Dear Chairman Hundt,

I am writing today in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) regarding implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. Our company is a new business in Vermont and is affiliated with the NRTC to distribute DIRECTVTM direct broadcast satellite (DBS) television in rural Vermont and New Hampshire. Our customer base is comprised largely of individuals in rural households not served by cable given the sparse population. Often their only hope to receive television comes through their ability to receive satellite service of some kind.

We entered into this business based upon our understanding that the 1992 Cable Act had resolved the issue of our ability to have access to all television programming at fair rates comparable to those paid by our competition. This turns out not to be the case. Specifically, "exclusive" distribution arrangements have been made with United States Satellite Broadcasting Co. Inc. (USSB) for Time Warner and Viacom programming such as HBO, Showtime, Cinemax, The Movie Channel, VH-1, MTV and Nickelodeon. The fact that we cannot provide these channels is a serious detriment to the financial success of our new business and our ability to compete with other services. It will definitely have a profound impact on our investment and our desire and ability to serve our customers.

I urge you, Mr. Hundt, to look closely at the provisions of the 1992 Cable Act and ensure that its purpose is fulfilled. The Act is designed to prohibit any arrangement that prevents any distributor

from gaining access to programming which could serve rural non-cabled areas of the country. That is why the FCC must remedy these problems in order that the effective competition requirements of Section 19 become a reality for rural places such as ours. Please feel free to call me if you wish to discuss this important issue further.

Sincerely

Robert W. Bloch

President and C.E.O.

cc: The Hon. Bernard Sanders

The Hon. James M. Jeffords .

The Hon. Patrick J. Leahy

The Hon. James H. Quello

The Hon. Andrew C. Barrett

The Hon. Susan Ness

The Hon. Rachelle B. Chong

FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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IN REPLY REFER TO: CN-9405292

The Honorable James Jeffords United States Senate 513 Hart Senate Office Building Washington, D.C. 20515-4503

Dear Senator Jeffords:

Chairman Hundt has asked me to respond to your letter on behalf of your constituent, Robert W. Bloch, President and C.E.O. of Digital Television One, concerning the implementation and enforcement of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992 by the Federal Communications Commission. I appreciate the opportunity to respond.

Mr. Bloch expresses his support for Comments filed by the National Rural Telecommunications Cooperative ("NRTC") with respect to the legality under the program access provisions of the 1992 Cable Act of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. In a petition for reconsideration of the Commission's program access rulemaking, NRTC has asked the Commission to determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking currently is pending. Consequently, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasonable decision on reconsideration.

Thank you for writing us on behalf of your constituent. I trust that this response is informative and helpful.

Sincerely,

Meredith J. Jones

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Chief, Cable Services Bureau